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## China Wins a Round At Rights Conference

### Unofficial Delegations Are Barred From Drafting of Final Document

**By Alan Riding**  
New York Times Service  
VIENNA — In what was seen as a victory for China's campaign to limit international monitoring of human rights, nongovernmental organizations attending the World Conference on Human Rights were ejected Wednesday from the committee drafting the meeting's final document.  
The nongovernmental organizations, which include such powerful groups as Amnesty International, protested angrily that the United Nations had allowed itself to be brow-beaten by China's threat to boycott the drafting committee if independent human rights representatives were present.  
"A number of delegates told us that China said it would have trouble participating if nongovernmental organizations were present," said Reed Brody, a representative of the International Human Rights Law Group, who has been assigned to the drafting committee. "The Chinese said, 'We don't need baby-sitters.'"  
China is perhaps the most outspoken of a group of Asian countries that accuse the West of trying to impose its human rights values on regions with different religious and cultural traditions and that object to moves to strengthen the United Nations' authority to denounce human rights abuses.  
Already last week, China infuriated the nongovernmental organizations when it persuaded the United Nations to ban the Dalai Lama from addressing human rights groups here.  
After strong Western pressure, the Tibetan leader was finally allowed to speak to a crowd

on the grounds of the United Nations complex Tuesday.  
"At a time when the UN should be exercising leadership in advancing human rights, it shows itself to be preoccupied with the sensibilities of its most abusive governments," said Kenneth Roth, acting executive director of the New York-based Human Rights Watch.  
"By succumbing to this blackmail, the UN sinks to the level of its most repressive member states."  
In presenting Beijing's formal position to the conference Tuesday evening, however, the Chinese deputy foreign minister, Liu Huaqing, made no effort to apologize for his government's tough stance, noting that when it comes to human rights "other countries have no right to interfere."  
He also reiterated his government's view that economic development was the most important "human right" of any developing country. "The argument that human rights is the precondition for development is unfounded," he said, adding that individual rights could never prevail over those of the state and society.  
China's hard-line speech came as no surprise to Western delegates, but its successful move to clear independent human rights groups from the drafting committee signaled that it also hoped to achieve many of its objectives in the closed negotiations on the final document.  
This document is theoretically to be adopted by consensus, but Western governments led by the United States have warned that they will not accept "the lowest common

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A Cambodian boy marching Wednesday with French Foreign Legionnaires, who were finishing a six-month tour as UN peacekeepers.

## Kohl's Answer To Violence: An Appeal for 'Friendliness'

### But Chancellor Rejects Dual Citizenship, and He Assails Foreign Press

**By Marc Fisher**  
Washington Post Service  
BERLIN — Chancellor Helmut Kohl, under pressure to give Germany's 6 million foreign residents a sense of security amid rising xenophobic violence, appealed Wednesday for kindness toward foreigners but rejected demands that they be granted dual citizenship.  
In his first major address since a neo-Nazi arson attack last month in Solingen in which five Turkish women and girls were killed, Mr. Kohl told parliament and a national television audience that the notion that Germany was unfriendly to foreigners was an unjust prejudice.  
Mr. Kohl repeated his opposition to allowing Turks and other long-term foreign residents to hold two passports, but he said that Germany's 20-year-old citizenship law should be revised to make it easier for foreigners whose families have lived here for two or three generations to become German citizens.  
In a debate following Mr. Kohl's speech, the leader of the opposition Social Democrats, Johannes Rau, called for a redefinition of German citizenship, which is now based on German ethnicity.  
"Anyone born here is not our guest, but should be a citizen with equal rights and obligations," Mr. Rau said. "We must finally put an end to the sham that we have nothing to do with immigration."  
Germany has no immigration law; foreigners enter the country only as "guest workers," refugees or visitors. Mr. Kohl made no mention of legalizing immigration.  
Instead, he asked Germans to make foreigners feel that they belong here.  
"I know, friendliness cannot be ordered up," Mr. Kohl said. "Unfortunately, some Germans nowadays have difficulty showing friendliness from the heart. Deceit and dignity have become foreign words for some."  
Mr. Kohl proudly reeled off statistics showing that Germany last year took in 79 percent of all refugees seeking political asylum in the 12-country European Community. And Germany has accepted more than 300,000 refugees from the war in the Balkans, more than any other country.  
"We haven't the slightest reason to shy away from international comparison," he said. Mr. Kohl then departed from his text and angrily criticized foreign press reporting about Germany's treatment of foreigners, saying that "those who write in foreign countries about us should first compare what we have done for refugees with their own countries."  
Mr. Kohl defended efforts by German police and prosecutors to fight anti-foreigner crime. Prosecutors last year conducted more than 12,000 investigations into racist extremists and anti-foreigner crime, while courts delivered 1,500 convictions in such cases.  
He also said that Germany should relax its strict privacy laws to allow law-enforcement agencies to share information about radicals.  
"The hands of the police are tied until a crime has been committed, with the absurd result that they must wait for the fires," he said.  
"Things have reached a point that no longer permits such waiting."  
While Mr. Kohl argued that xenophobia was not a specifically German problem, but part of a tendency toward violence in Western society, Germany's top law enforcement official said that the country must face up to "the latent racism in our society."  
"We must discard our picture of anti-foreign-

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## Taiwan Hunts for a Sequel To Economic Success Story

**By Kevin Murphy**  
International Herald Tribune  
TAIPEI — Its foreign exchange reserves stood at more than \$80 billion in last count, more than those of any other nation, but Taiwan is finding it harder to sustain its economic momentum. It is trying to diversify its economy and to reform its government.  
"In the very early days, we hardly had any foreign reserves," said Tsai Tu-hua, vice-chairman of Taiwan's Council for Economic Planning.  
Marital law, one-party rule and heavy government intervention in industrial and economic planning have transformed Taiwan from a place of exile or refuge for the losers of China's civil war in 1949 into a manufacturing power. It is now the world's ninth largest source of investment capital.  
Now, however, a complex matrix of factors is loosening the grip of government technocrats on the nation of 20 million people and challenging business to build on previous successes or lose out to regional competitors.  
"Taiwan is confident it will be able to restructure and take on its competition," said Jon Ross, head of HS Asia Securities in Taipei. "But it could be a rough transition period."  
A rising political consciousness among a population looking for increased rewards for its decades of hard labor, as well as a split in the Kuomintang, the governing party, over how to handle the lure of doing business with its nemesis on the Chinese mainland are making the lives of planners like Mr. Tsai more complicated than ever.  
In 1991, Taiwan's gross national product was \$12 billion, which worked out to \$145 per person. Forty years later, its GNP hit \$161 billion, or \$5,890 per person, after growth that averaged 8.7 percent a year for four decades.  
Now, Taiwan is the world's 14th largest trading nation and its 20th largest economy, and it is still growing while larger rivals stumble.  
But can Taiwan move still more quickly to improve living conditions at home and stay ahead of new rivals in developing economies?  
See TAIWAN, Page 15

## Cambodian Rivals Agree to Share Power

**By Philip Shenon**  
New York Times Service  
PHNOM PENH — Cambodia's two major political parties agreed Wednesday to put aside years of savagery to share power in an interim government that will almost certainly be led by Prince Norodom Sihanouk, the nation's 70-year-old former monarch.  
The power-sharing arrangement between the political arm of the incumbent, Vietnamese-installed government and the royalist opposition party likely means an end, for now, to the chaos that last week produced a secessionist movement among several eastern provinces and the threat of an expanded civil war.  
Under the agreement brokered by Prince Sihanouk, the interim government will rule Cambodia until the newly elected National Assembly drafts a constitution.  
The announcement Wednesday suggested a significant backing down by one of Prince Sihanouk's sons, Prince Norodom Ranariddh, the president of the opposition party that won last month's intrinsically supervised elections.  
Last week Prince Ranariddh rejected a similar arrangement for an interim government, saying he could never work with the incumbent prime minister, Hun Sen. Prince Ranariddh accused Mr. Hun Sen of involvement in a campaign of violent intimidation, including assassinations, directed against his opposition party, United National Front for an Independent, Neutral, Peaceful and Cooperative Cambodia, which is known by its French acronym, Funcinpec.  
Under the arrangement announced Wednesday, however, Prince Ranariddh and Mr. Hun Sen will share powers equally as co-presidents, with Prince Sihanouk retaining his position as head of state.  
In statements released by the royal palace, Prince Sihanouk, who returned to Cambodia in 1991 after spending most of two decades in exile, said that because of "health problems and problems with certain foreign personalities," he would not preside over the interim government.  
The "personalities" appeared to be a reference to members of the diplomatic corps in Phnom Penh, especially U.S. diplomats, and United Nations peacekeepers who had questioned the appropriateness of establishing a new government until a constitution is written.  
Under his first plan for an interim government, Prince Sihanouk would have become prime minister.  
Whatever Prince Sihanouk's claims, few in Phnom Penh doubted Wednesday that he would have the final say in the new government, and  
See SHARE, Page 6

## East Asians Wary of Ostpolitik

**By Michael Richardson**  
International Herald Tribune  
KUALA LUMPUR — East Asian nations, which have long seen Germany as the guardian of an economically outward-looking Europe, have watched with concern as the mounting costs of reunification weaken the German state.  
Now, as European Community leaders prepare to examine closer relations with Eastern Europe at a meeting opening Monday in Copenhagen, Asian officials and analysts foresee an even more dangerous form of Ostpolitik.  
This would occur if, as seems likely, the EC first resists, but then is forced to offer extensive preferential trade and additional financial assistance to former Communist countries in Eastern Europe and the former Soviet Union to forestall social chaos and an uncontrollable wave of economic migrants into Western Europe.  
As seen from Asia, the inevitable consequence of such a development would be a major diversion of European aid, trade and investment away from the Asia-Pacific region.  
See ASIANS, Page 6

## Nigeria Blocks Announcement Of Vote Results

**By Kenneth B. Noble**  
New York Times Service  
LAGOS — Nigeria's planned return to civilian rule was virtually halted Wednesday when a commission appointed by the country's military leaders indefinitely suspended last Saturday's presidential elections.  
The decision came amid growing indications that the candidate of the Social Democratic party, Moshhood K.O. Abiola, was well on his way to a resounding triumph over his rival, Bashir Othman Tofa of the National Republican Convention.  
The vote had been heralded by many Nigerians as a historic crossroads, marking the end of nearly a decade of military rule in black Africa's most populous nation. Moreover, it was only the third time since the country gained independence from Britain in 1960 when its president was slated to rise to office through the ballot box and not an army uprising.  
But even before Wednesday's action, there had been considerable skepticism among opposition leaders and even some ordinary Nigerians over whether the country's military leader, General Ibrahim Babangida, was genuinely committed to democratic rule.  
Beko Ransome-Kuti, chairman of the committee for the defense of human rights, said Wednesday that the suspension of the elections was of the "grievous concern" to his group, and added that he had long suspected that General Babangida was purposefully forestalling the transition to civilian rule.  
Mr. Ransome said the general had "always had a hidden agenda" to remain in power.  
General Babangida has postponed the scheduled date for a civilian takeover three times since 1990. Moreover, the military authorities have annulled a number of gubernatorial and

## Democrats Draft A U.S. Fuel Tax

**WASHINGTON (AP) —** Democratic tax writers in the Senate agreed Wednesday on higher taxes on motor fuels, the well-to-do and many Social Security recipients as part of a deficit-reduction plan that backs away from elements of President Bill Clinton's proposal.  
Senators declined to give details on the fuel tax, although aides said the final debate had centered on an increase of 4 to 4½ cents a gallon.  
The accord, among the 11 Democrats on the Finance Committee, cleared the way for action on the plan by the 20-member panel on Thursday or Friday.  
**Science**  
Travelers can reduce their chances of getting a flight-induced illness. Page 7.  
**Business/Finance**  
A German levitating train might first run in Florida. Page 11.  
**Book Review**  
Bridge. Page 7.  
**Dow Jones**  
Up 19.65  
3,911.85  
**Trib Index**  
Down 0.47%  
102.62  
**The Dollar**  
New York, West, disc, previous close  
Doll 1.658 1.641  
Pound 1.504 1.515  
Yen 108.425 108.855  
FF 5.578 5.576  
KEEPING DRY — British UN soldiers taking shelter from the rain Wednesday while on watch in Nova Bija, at the front line between the Muslim town of Travnik and the Croat town of Vitez. Fighting raged elsewhere in Bosnia despite a truce accord to take effect on Friday. Page 2.

## Closing the Smoky Dump

**By Bruce Lambert**  
New York Times Service  
TONDO, Philippines — Anywhere else, the closing of a garbage dump would be an occasion for local residents to rejoice.  
But here at the internationally infamous Smoky Mountain, thousands of people live in the dump and survive by scavenging its fetid rubble. Now that Smoky Mountain is being closed, they are apprehensive about losing homes and livelihoods, no matter how squalid and demeaning these may seem.  
"Where will I live, what will I do?" said Tony Santos, 49, who has supported his wife and four children by scavenging for 20 years. Stopping in the sizzling sun, he probed the stinking refuse with a long metal hook looking for old cans, scraps of paper, pieces of plastic and shards of glass that bring about \$3 a day.  
Smoky Mountain is to be bulldozed away soon, and there are to be no more squatters or scavengers.  
On May 1, President Fidel V. Ramos announced the closing of the dump, the site to be transformed into a commercial and residential development on Manila Bay. Because the \$130 million project includes promises of new jobs

See NIGERIA, Page 6

See DUMP, Page 6



STATESIDE / JUDICIAL CODE WORDS

Judge Ginsburg's Credo: Facts and the Law

By Linda Greenhouse

New York Times Service
WASHINGTON — Standing by President Bill Clinton's side Monday afternoon...

She approvingly quoted Chief Justice William H. Rehnquist, a lone voice to Democrats...

Her criticism of the 1973 decision, repeated over the years but stated most notably in a lecture at New York University Law School...

The difference is not over the ultimate goal of a right to abortion fully anchored in the constitution and secure against political...

dominating. Rather, Judge Ginsburg's lecture reflects a long-running debate about whether that goal could have been better achieved by another route...

Judge Ginsburg, who as a litigator argued cases before the Supreme Court...

Some leaders of the long and ultimately unsuccessful campaign for the amendment were concerned that too close a link between equality and abortion would pose a political threat...

In any event, long after the equal rights amendment died, it was the Supreme Court itself that revised the equality basis for abortion rights...

Among the reasons that Justices Sandra Day O'Connor, Anthony M. Kennedy and David H. Souter gave in their opinion for adhering to the "core" of Roe was a sentence that could have been written by Judge Ginsburg:

"The ability of women to participate equally in the economic and social life of the nation has been facilitated by their ability to control their reproductive lives."

While Justice Harry A. Blackmun's majority opinion took a different path, a theoretical debate continued in academic legal circles over the next decade.

While her New York University lecture discussed Roe specifically, her critique reflected a more general approach to judging and to the development of the law.

"Measured motions seem to me right, in the main, for constitutional as well as common-law adjudication," she said.

Mrs. Wilder, senior staff attorney for the abortion-rights league, said in an interview Tuesday, "When she says that Roe went too far and that Casey is progress, we have to know whether she's saying that a lesser standard of protection for abortion is a better standard."

Helen Neuborne, executive director of the NOW Legal Defense and Educational Fund, also took issue with the notion that a more gradual approach by the court might have avoided political fallout from the anti-abortion side.



Judge Ruth Bader Ginsburg, preparing for Senate hearings on her Supreme Court nomination, meeting with Daniel Patrick Moynihan of New York, left, and Joseph R. Biden Jr. of Delaware.

POLITICAL NOTES

A Speedy Trial for Supreme Court Nominee?
WASHINGTON — President Bill Clinton has asked Senate leaders to try to confirm his high court nominee, Ruth Bader Ginsburg, within two months...

Clinton is Expected to Launch a Space Lab
WASHINGTON — President Bill Clinton has decided to push for construction of a sophisticated, orbiting space laboratory that would make use of much of the technology already developed for the controversial space station Freedom, congressional aides said Tuesday.

Gay Pride at the Transportation Department
WASHINGTON — The rainbow-colored flag representing gay pride went up at the Department of Transportation, and Secretary Federico F. Peña took a place in its midst.

Senate Threatens Filibuster on Labor Bill
WASHINGTON — The House voted to prohibit employers from hiring permanent replacements for union members who strike, but Senate Republicans said they would stage a filibuster to kill the measure...

Quote / Unquote
Roger Clinton, referring to his sister-in-law Hillary Rodham Clinton: "She had a Chicago upbringing. She had a Down South Arkansas, Bible Belt upbringing. It was fried chickens and mashed potatoes versus a concrete wall."

Away From Politics
A 16th death possibly caused by a mysterious flu-like illness was reported. The death was announced by the federal Centers for Disease Control and Prevention in Atlanta, which did not disclose the location of the victim.

Bad Back Sidelines Delors
BRUSSELS — Jacques Delors, president of the EC Commission, has had to cancel all appointments in recent days because of a back problem.

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Renegade Senator Stirs Up Democrats

By Clifford Krauss
New York Times Service

WASHINGTON — At home in Oklahoma, Senator David L. Boren was once portrayed by newspaper cartoonists as the Willibury Doughboy. In the cloakrooms of the Senate, he was dismissed as a glad-hander who craved approval more than power.

That was before Senator Boren went on a diet and reassessed his career after the death of his father, an irascible Democratic congressman who rebelled against Franklin Roosevelt.

More than any other member of Congress, it was Mr. Boren who forced Mr. Clinton to abandon his broad tax on the energy content of fuels. First he threatened to withhold his swing vote, on the Senate Finance Committee, and then, breaking a line of congressional conduct, he forcefully lobbied House Democrats.

Further embarrassing the president and infuriating his Democratic colleagues, he is now threatening to withhold his vote unless they cut an additional \$50 billion in spending in politically sensitive programs such as Medicaid and Medicare.

His critics — and there seem to be more every day — said he is a still a big oil who is on an ego trip. The senator compares himself to Paul Revere, saying he is a man with a mission to save Mr. Clinton from the Democratic liberal wing.

The senator, 52, said Monday that he expected to reach a compromise with the White House this week. But he added: "If we don't, it wouldn't be the end of the world because we would have to start over again, this time on a bipartisan basis.

It is the exceptional senator who does not possess a robust sense of his own importance and a willingness to step on toes to promote the interests of his state. But Senator Boren never before appeared to have the strength of personality to withstand so much criticism and pressure.

Senator Boren has made waves before, although they were small, few, and far between. As chairman of the Select Committee on Intelligence, he once sharply criticized President George Bush, accusing him of neglecting to take advantage of a 1989 failed coup attempt against Manuel Antonio Noriega of Panama.

Actually, he is trying to perform two contrasting roles at the same time. Even as he locks horns with the president on economic policy, he is Senate floor manager of Mr. Clinton's campaign finance-reform legislation.

But in Mrs. Bergwall, an enthusiastic Mr. Elmont said later, "we have a real live person" to promote the cause.

After she spoke, the ad was shown. The commercial lasts 30 seconds and shows her at work in a restaurant in Olney, Maryland.

Restaurant Lobby Pins Its Hopes on a Waitress

By Joel Brinkley
New York Times Service

WASHINGTON — Jan Bergwall, a waitress from a small town in Maryland, drove down to Washington earlier this week and stood before a microphone at a news conference to say she feared that she might lose her job if Congress approves President Bill Clinton's proposal to reduce the tax deduction for business meals.

Lobbyists in the National Restaurant Association's Washington office recruited Mrs. Bergwall a few days ago. They put her in a commercial that is set in the restaurant where she works and is being televised in four states. Then they put on the news conference.

As Mrs. Bergwall spoke, the association's representatives stood in the back of the room, obediently following the lobbying model of the 1990s. The chief rules are these: Move the debate out of Washington and place it in the mouths of the most vulnerable, sympathetic supposed victims you can find.

"There is a perception, a sincere perception, that it's a fast-food issue," said Stephen E. Elmont, the association's president. So the strategy is to present the proposed change as a problem for everyone. The victims would include "women, minorities, first-time job holders and people with disabilities" who work in restaurants, an association statement says.

So far, it has not been a subject of much discussion among senators working to modify Mr. Clinton's plan, a Senate aide said Tuesday. But then the association's new campaign only just began.

"I'm a waitress," Mrs. Bergwall says on camera, "and a good one. I'd better be, because my three sons depend on me. But I might not have a job much longer. President Clinton's economic plan cuts business-meal deductibility. That would throw 165,000 people out of work."

After she spoke, the ad was shown. The commercial lasts 30 seconds and shows her at work in a restaurant in Olney, Maryland.

Advertisement for Sulka ties featuring the headline "MEN WITH BACKBONE WEAR TIES WITH SPINES" and an image of a man in a suit. Text describes the unique features of the Sulka tie, including its spine and Italian silk construction.

Large advertisement for Conrad Hotels with the headline "ARE YOU IN ON THE SECRET?" and "Conrad Hotels - Luxury Travel's Best Kept Secret." It features a list of hotel locations (London, Dublin, Brussels, Istanbul, La Belle Creole, Hong Kong, Jupiters) and a price table for various rooms and packages.





In this year's May Day parade in Havana the signs of the times was Cuban troops on bicycles. It used to be heavy weapons and tanks.

### Russians Leave Cuba to 'New Realities'

MEXICO CITY — Cuba, bidding farewell to the last brigade of Russian combat troops, says that its own military has been cut because of economic woes. The country also made a gesture to the United States by repeating its willingness to negotiate payment for U.S. properties confiscated in the 1960s.

As a candidate, President Bill Clinton said he supported tightening the embargo. The farewell ceremony for the Russian troops ended a 30-year combat presence on the island. The departing 3,000-man motorized infantry brigade paraded before a comment to Soviet soldiers on the outskirts of Havana.

In April, Defense Minister Raúl Castro, brother of the Cuban leader, also indicated cuts had taken place. He said at the time that Cuba had not received any new Russian arms since 1990, although it received some spare parts in 1991.

### U.S. Envoys Receive a Classified Pep Talk

By Michael R. Gordon  
New York Times Service

WASHINGTON — In an effort to reassure his diplomatic corps that the Clinton administration is capable of leading the world, Secretary of State Warren M. Christopher has sent a classified cable to all ambassadors listing what he described as several important accomplishments.

In his cable, dated June 7, Mr. Christopher said he had conceded that President Bill Clinton had got off to a slow start in foreign affairs, but he said crises inherited from the Bush administration forced the new team to navigate "between submerged rocks and whirlpools on every continent."

Mr. Christopher provided a list of nine accomplishments that the diplomats could cite: 1. "First and foremost, President Clinton rallied the allies to support the course of reform and democracy in Russia at a crucial juncture with strong, unflinching support for President Yeltsin."

2. "The stalemate, nearly moribund Middle East peace negotiations were resumed and relitigated with some delicate diplomacy and a strengthened United States role as a full partner."

3. "We have been and are working with the United Nations and the Organization of American States to restore democracy in Haiti and to reverse the new threat to democratic institutions in Guatemala."

4. "In close cooperation with key congressional leaders, the president has conditionally extended most-favored-nation [trade status] for China in a manner which will also advance the cause of human rights and our nonproliferation goals, while serving the best interests of American business and workers."

### No Troops Soon for Bosnia 'Havens'

Having Trouble Raising Forces, UN Sees 3-Month Delay

By Julia Preston  
Washington Post Service

UNITED NATIONS, New York — The United Nations is having trouble raising troops to protect "safe havens" in Bosnia, and it will take up to three months to get the additional forces deployed, according to the top UN peacekeeping official.

The six safe havens are the centerpiece of a joint plan of the United States and its Security Council allies to contain the communal warfare that has raged in Bosnia for 14 months. The council voted June 4 to send additional peacekeepers to Bosnia to protect the havens.

Mr. Annan said in an interview that virtually all new troops for the safe havens would have to be recruited because no countries that already have troops in the area, including Britain, France and Spain, were eager to put them into the havens. The force of 22,000 UN peacekeepers in the former Yugoslav republics already is stretched to its limits, Mr. Annan added.

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Brazil	000-8022	Egypt	255-5770	Israel	972-052-1100	Poland	071-04-800-222
Canada	001-0316	Finland	9800-7222	Italy	11-150-7177	Portugal	05-07-0264
Colombia	980-16-0001	France	19-00-19	Japan	11-150-7177	Spain	900-99-0004
Cyprus	080-90000	Germany	050-455-2	Korea	02-000-0000	Sweden	020-755-922
				Malaysia	603-222-2222	Switzerland	155-0222
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				Philippines	02-000-0000	United Kingdom	0800-89-0222
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Herald INTERNATIONAL Tribune

Sensible Trade Policies

In trade talks last week with Japan, the Clinton administration turned from bullying to constructive negotiating. Instead of repeating threats to punish Japan for behavior that the United States unilaterally decides is wrong...

New and Old in Canada

Getting ready for the autumn election, Canada's ruling Progressive Conservative Party now has chosen a new leader and prime minister. Brian Mulroney, who has held the job for nine years, has — as he would say — spent down his political capital and is bumping along at the bottom of the popularity polls.

More Women at the Top

Two more countries elected women as their prime ministers last weekend, but that is hardly news anymore. The list of women who head or have headed their governments grows by the year, and notably in countries where feminist movements are weak or nonexistent.

Other Comment

Empty Hopes in Somalia
The lesson of Somalia, and of the latest bloodshed there, is not that it is necessarily wrong to intervene in societies where anarchy has descended; but that it is misguided, and even pernicious, to act without a clear will to see the issue through to the end, perhaps years and many millions of pounds later.



Bosnia Isn't Somalia, but Both Will Be Abandoned

By William Pfaff

PARIS — What Somalia in fact needs is neo-colonialism, but it is not going to get it. The Somalis are likely to end in still deeper chaos as a result of the American and United Nations interventions of the past few months, climaxing in ambushed UN troops, U.S. air attacks and clashes between the UN forces and protesting Somalis.

The Presidential Job Is to Change a Balky System

By Jim Hoagland

DEAR MR. PRESIDENT: At a holiday dinner at the new year, you challenged those present to do something for you: to tell you if we felt you were making a mistake. The invitation came in one of the most inspiring and uplifting public speeches I have ever heard of a public figure give.

Great Court Choice, Deplorable Process

By Anna Quindlen

NEW YORK — When I found myself wondering whether Ruth Bader Ginsburg had paid taxes for her household help and whom she had hired to care for her two children, now grown, I knew something had gone awry with the search for public servants in the Clinton administration.

Now Read The Rules To Japan

By Roy Denman

RUSSELLS — At regular intervals, like the dance of the hours in the great clock towers of Central Europe, there is movement about Japan. Some bewail its steadily rising trade surplus with the West. Others canvass solutions. Still others point out that there is nothing wrong with a trade surplus and that cutting imports would wreck the international trading rules and wreck the world trading system.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO
1893: Cyclist Rejected
LONDON — Disappointment has been felt on its becoming known that Mr. Zimmermann, the famous American rider, has been refused a licence to compete in the championship races at Herne Hill. The National Cyclists' Union, who jealously maintain the distinction between professional and amateur riders, are making a dead set at what are called "walkers" amateurs. It is not pretended that Mr. Zimmermann is in the pay of any maker, but the Cyclists' Union make a hard and fast rule, and have granted him a licence on condition he does not ride a bicycle of the type hitherto adopted by him. He refuses.

INTERNATIONAL HERALD TRIBUNE
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
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OPINION

Try a Back-to-Basics Tack To Save America's Cities

By E.J. Dionne Jr.

WASHINGTON — After the turn of the century, Socialist mayors were elected in a host of American cities, not so much because voters wanted to turn the places into red citadels but because local Socialists were regarded as more honest and efficient than either the Republicans or the Democrats.

Kojak liberals argue that the biggest problems confronted by the urban poor are created by violence and lawlessness.

cial workers, health administrators and the like) who served them. In the cities, the poor are disproportionately African-American and Hispanic. The social-service jobs were an important source of African-American upward mobility; they opened up just as racial barriers fell.

More traditional "basic services" help all classes, since rich and poor alike benefit from more cops on the beat and safer public parks. And despite recent gains, minorities have tended to have a smaller share of the basic services jobs.

Kojak liberalism is not confined to older guys who are white ethnics and bald. But it may help to be a cop; drug czar Lee Brown and the Los Angeles police chief, Willie Williams, both African-Americans, are certainly part of the breed. They understand that liberals have been uneasy with the crime issue ever since Republicans used "law and order" as code for race in the 1960s.

But in the long run, Washington needs to think about a reorientation of responsibilities. If the federal government could ever liberate the states and cities from the huge costs associated with health care, it would free up a lot of money to make the streets safer, the parks cleaner, the cities more livable.

However it gets done, the priority of restoring order in the cities ought to engage anyone who cares about those trapped in poverty. If they were still around, my guess is that the sewer Socialists would be Kojak liberals, too.

The Washington Post.



"At the time of her appointment, I had not read Hillary's writings..."

Banana and Onion Time at Old Gitmo

By Tom Miller

TUCSON, Arizona — Looking for a base to close? Start with the U.S. naval base at Guantánamo Bay, Cuba. Notorious as the processing station for fleeing Haitians, the outpost serves no purpose that could not be served as effectively by Roosevelt Roads Naval Base in Puerto Rico.

Getting rid of it would save \$36 million a year and ease tension between the United States and Cuba. And since southeast-

ern Cuba lies in no congressional district, Americans would not hear any congressional whining about the loss of jobs.

Why are Americans at Guantánamo? Six hundred Marines landed there in 1898 to help Cuba win independence from Spain. A makeshift hand played "There! Be a Hot Time in the Old Town Tonight," the legend goes, and the Marines have left yet.

When I was there last fall, the people in this anti-imperialist bunker were easy to chat with. An artist at a storefront gallery talked painting. Young boys in karate outfits waved as they practiced kicks.

ban unless they abandon their homeland for another country.

When I spent some time with Cuba's Frontier Brigade, I said I had been given the dog-and-pony show at the base and that now it was their turn to give me "an espectáculo de mambo y rumba" — a song and dance. The troops obliged.

They spend their time in towers looking through binoculars at the Marines looking back at them. A large underground chamber is dominated by a bas-relief map of Guantánamo so detailed that streets in residential housing and out-buildings in security zones were clear.

The Cuban military knows the base better than most Americans living there do. The food at the Frontier Brigade mess was no better or worse than that at Gitmo. The barracks were spit-polish clean. Extra acreage was used for raising bananas, yuca, onions, peppers, tomatoes — more a necessity than idle pleasure.

I asked one soldier how things have changed over the years.

"Well," he said, "both sides have pulled back from the fence, so there are far fewer provocations." "What did he see in the future?" "When we take over, we'll plant crops there." "After 90 years, it's time for the U.S. Navy to sail away."

The writer is author of "Trading With the Enemy: A Yankee Travels Through Castro's Cuba." He contributed this column to The New York Times.

LETTERS TO THE EDITOR

The Choices in Bosnia

The international community should face up bravely to the only two alternatives in Bosnia — arming and giving air support to the country's defenders, or acquiescing in a greater Serbia, with the completion of ethnic cleansing not only in Bosnia but in Kosovo and Vojvodina as well. Despite the protests of the "we flubbed it in Bosnia but we'll be tougher the next time" school, it is hard to imagine intervention in these two territories, which are part of Serbia. After all, the world failed to intervene in Bosnia-Herzegovina, an internationally recognized sovereign state that has existed as a political entity (1878 to 1918, 1945 to the present) for longer than Yugoslavia itself.

Continued debate about the Vance-Owen plan has little relation to reality. As for that latest triumph of diplomacy, the safe haven plan, it is hard to imagine a better gift to Serbia's president, Slobodan Milosevic. It would solve the problem of dealing with unwelcome Muslims

(assuming that mass deportations and liquidation are not realistic alternatives). And the added United Nations troops would provide more hostages against (unlucky) opposition to the next steps in ethnic cleansing and a convenient target for the excess energies of the Bosnian Serbian militiamen — test they dream of kicking up any dust closer to the center of greater Serbia.

REYNOLD RIEMER, Paris.

Looking the Other Way

Regarding "It's Their Balkan Quarrel" (Opinion, June 2): José Cuatrecasas blurs significant distinctions, makes Bosnian Muslims look as guilty of atrocities as Bosnian Serbs, sidesteps the central fact of direct involvement by Serbia and implies that the conflict is not of world concern.

No wonder the European Community looks the other way when Sarajevo, Gornadz and Maglaj are destroyed. With peacekeepers like these, the Bosnian Muslims do not need enemies.

HAROUN ER RASHID, Dhaka, Bangladesh.

He Who Gets Blamed

Regarding the report "Will Clinton's Stumbling Ever End?" (May 24) by Thomas L. Friedman:

Really, is this worthy of front-page display? Writers in your newspaper have blamed Bill Clinton for everything from the Waco, Texas, tragedy to the continuation of the massacre in former Yugoslavia.

Plenty of Americans still believe in Mr. Clinton. He represents a breath of fresh air and an opportunity to confront some of the fundamental problems that plague the country — a long-awaited break from the "old boy network."

JOHN HEERMANS, CECILIA POLANSKY, Parakou, Benin.

Blame the Filibusterers

When the Republicans staged a filibuster in the Senate last month you let them off much too lightly. Instead of saying how appallingly undemocratic a filibuster is, your writers seemed to interpret it as weakness in President Bill Clinton. Why not put the blame where it really lies: on a Republican leadership that is trying to discredit, malign and undermine the president at every turn?

M.G. KURHS, Bembridge, Isle of Wight, England.

Raise Auto Efficiency

Regarding "An Energy Crisis Stalls Washington" (Opinion, May 27):

Considering all of the problems with an energy tax, many of the stated goals could be achieved in a much simpler fashion by raising automobile fuel efficiency standards from the current 27.5 miles per gallon average (about 11 kilometers per liter) to 40 miles. The technology to achieve this is available. Such a measure would lead to straightforward reductions in oil consumption and pollution. The 27.5 standard already has cut gasoline consumption by 2.5 million barrels per day since 1973.

If it is necessary to raise tax revenues, why not impose a purchase tax on new cars according to engine size?

Consideration could also be given to offering a tax break to owners who trade in their old gas-puzzlers for new models, and to continuing to support ownership of cars powered by domestic natural gas.

RAND GUEBERT, London.

The Reagan Years

Regarding "Bobby Kennedy Did Care, and It Made a Difference" (June 1): Anthony Lewis deplores the divisions in American society, blaming, as usual, President Ronald Reagan. Most Americans believed the Reagan years to be an era of personal responsibility, pride in country and reward for hard work. Charitable contributions were at an all-

time high and unemployment low. Mr. Lewis calls these years "selfish" because people feel that they know best how to spend their own money. Like most liberals, he knows best how to cure the ills of the world — by spending others' money.

PAUL R. PUMA, San Luis Rey, California.

Irremediable Damage

Regarding "So Biodiversity is Doomed? Let's Take a Cool Recount" (Opinion, May 14):

The pretext of "no conclusive evidence" is often the excuse for inaction. The traditional reactionary problem-solving approach is: Take action only after serious damage. But late action can be more costly and some damage is irremediable, such as the extinction of species.

GORDON NG, The Conservative Association, Hoog Kong.

The Inside Story

As to why Americans do not eat inwards (American Topics, May 24) there is one simple reason: they are slummy and unappealing! End of story. CHERYL SCHÖN AUBERT, Lausanne, Switzerland.

Advertisement for PREMIERE URGENCE (AIDE HUMANITAIRE INTERNATIONALE). Text: "EVEN UNDER BOMBING, EX-YUGOSLAVIANS STILL WANT TO STAY CLEAN". Includes a photo of a person and a logo for PREMIERE URGENCE.

Advertisement for International symbol for easy calling. Features a photo of a FÖNCARD card and a list of international phone numbers for various countries.

# NYSE

Wednesday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE 100 High Low Last Chg

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	100 Low	Last	Chg
100	90	IBM	2.50	2.5	15	100	90	95	-5
120	110	Microsoft	0.50	0.5	20	120	110	115	-5
80	70	Intel	0.40	0.4	18	80	70	75	-5
150	140	Oracle	0.60	0.6	22	150	140	145	-5
180	170	Sun	0.80	0.8	25	180	170	175	-5
110	100	HP	0.70	0.7	19	110	100	105	-5
90	80	Motorola	0.60	0.6	17	90	80	85	-5
130	120	Qualcomm	0.50	0.5	21	130	120	125	-5
160	150	Lucent	0.90	0.9	23	160	150	155	-5
140	130	WorldCom	0.70	0.7	20	140	130	135	-5
100	90	Verizon	0.60	0.6	18	100	90	95	-5
120	110	Sprint	0.50	0.5	22	120	110	115	-5
140	130	AT&T	0.80	0.8	19	140	130	135	-5

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	100 Low	Last	Chg
110	100	AT&T	0.80	0.8	19	110	100	105	-5
130	120	WorldCom	0.70	0.7	20	130	120	125	-5
150	140	Lucent	0.90	0.9	23	150	140	145	-5
170	160	Sun	0.80	0.8	25	170	160	165	-5
190	180	Oracle	0.60	0.6	22	190	180	185	-5
210	200	Microsoft	0.50	0.5	20	210	200	205	-5
230	220	IBM	2.50	2.5	15	230	220	225	-5

**MARKET REACTION TO FED RATE CUT**

Wall Street opened Thursday with a strong rally, driven by a surprise 75-basis-point cut in the Federal Reserve's discount rate. The Dow Jones Industrial Average rose 145.43 points to 8,257.46, its highest since early 1992. The S&P 500 index gained 24.45 points to 2,894.75. The Nasdaq Composite index advanced 38.87 points to 2,489.58.

Investors were particularly bullish on technology and telecommunications stocks. Intel led the rally, jumping 5.25 to 75.00. Microsoft rose 2.50 to 205.00, and IBM gained 5.00 to 225.00. Oracle and Sun also saw significant gains, with Oracle up 5.00 to 185.00 and Sun up 5.00 to 165.00.

The rally was broad-based, with many blue-chip companies also seeing gains. AT&T rose 5.00 to 105.00, WorldCom advanced 5.00 to 125.00, and Lucent Technologies gained 5.00 to 145.00. Verizon Communications rose 5.00 to 95.00, and Sprint Nextel advanced 5.00 to 115.00.

Market analysts attributed the surge to the Fed's move to ease monetary policy, which was widely expected but not fully priced in. The rate cut, the first since 1990, was seen as a signal of the Fed's commitment to fighting inflation. Investors also reacted positively to reports that the Treasury Department was considering a package of tax cuts to stimulate the economy.

**TELECOM STOCKS LEAD RALLY**

Telecommunications stocks were the primary drivers of Thursday's market gains. AT&T, WorldCom, Lucent, Verizon, and Sprint all posted double-digit percentage increases. Analysts note that the sector is benefiting from both the Fed's rate cut and a wave of corporate restructurings.

AT&T's rise to 105.00 was particularly notable, as the company has been a key player in the industry's consolidation. WorldCom's gain to 125.00 also reflected investor confidence in the company's financial health. Lucent's advance to 145.00 was driven by its strong performance in the equipment market.

Verizon and Sprint also saw significant gains, with Verizon up 5.00 to 95.00 and Sprint up 5.00 to 115.00. These gains were supported by reports that both companies are in good financial shape and are well-positioned to compete in the market.

**TECHNICAL STOCKS SHOW GAINS**

Technology stocks also participated in the rally, with Intel, Microsoft, Oracle, and Sun leading the way. Intel's jump to 75.00 was a key factor in the overall market's upward movement. Microsoft's gain to 205.00 was also significant, as the company's stock price has been relatively stable in recent months.

Oracle's rise to 185.00 and Sun's gain to 165.00 were also notable. Both companies have shown strong growth in their respective markets, and investors appear to be looking for continued expansion. IBM's gain to 225.00 was also well-received, as the company is seen as a leader in the industry.

**BROAD-BASED MARKET GAINS**

The rally was not limited to telecommunications and technology. A wide range of other sectors, including healthcare, consumer goods, and energy, also saw gains. The Dow Jones Industrial Average's rise of 145.43 points was a testament to the broad-based nature of the market's recovery.

Investors were particularly responsive to the Fed's move, as it provided a clear signal of the Fed's policy direction. The rate cut was seen as a positive step towards reducing inflation and stimulating economic growth. This optimism was reflected in the market's overall performance.

**MARKET REACTION TO FED RATE CUT**

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**THE TRIBUNE**

**INTERNATIONAL**

**Labor - Power**

**Prices Take Sur**

**Gold Rates**

**Dollar Values**

**Exchange Rates**

**Commodity Rates**

**Continued on Page 14**

*July 10 1993*



MARKET DIARY

Computers Weaken On Profit Outlook

NEW YORK — U.S. stocks closed mixed Wednesday as concern about earnings buffeted another computer giant, Hewlett-Packard Co., and a report on housing starts prompted questions about the strength of the economic recovery.

N.Y. Stocks

pushed the Dow Jones industrial average up 19.65 points to close at a session high of 3,511.65. The computer-driven trading was tied to Friday's so-called triple-witching hour, when options and futures on stock indexes expire, traders said.

Advancing common stocks slightly outnumbered decliners on the New York Stock Exchange. Trading was active with about 264.5 million shares changing hands, up from 184.4 million on Tuesday.

Concern about the economy surfaced after the Commerce Department said housing starts increased just 2.4 percent in May after soaring 8.1 percent in April, even though mortgage rates are at their lowest level in 20 years. Though May's increase marked the second

consecutive monthly rise, it fell short of the 3.1 percent rise analysts had widely predicted.

Computer-related stocks were the day's worst performers. Hewlett-Packard tumbled as low as 79 3/4, down 7 1/2, and closed down 3 3/4 at 83 3/4. Company officials told analysts in Frankfurt that orders in the first half of its financial year might not be sustainable in the second half, ending in October.

The forecast from Hewlett-Packard followed similar profit warnings in recent days from Apple Computer Inc. and Minnesota Mining & Manufacturing Co.

The slump in Hewlett-Packard's stock prompted a decline in shares of other computer companies. Digital Equipment Corp. fell 1/4 to 43 1/4, Microsoft Corp. dropped 1/4 to 91 1/4, and Sun Microsystems Inc. declined 4/8 to 30 1/4.

Adobe Systems Inc., which makes software used in Hewlett-Packard laser printers, fell 3/8 to 69. American Telephone & Telegraph Co. plunged 1 1/2 to 62 3/4 as the stock retreated from a 52-week high of 63 1/2, set on Tuesday.

Dollar Leaps as Dealers Turn Negative on Mark

NEW YORK — The dollar soared to a three-month high against the Deutsche mark on Wednesday, spurred by reported comments from an unnamed German official who said he was not concerned with the mark's performance against other currencies.

Foreign Exchange

higher across the board because traders interpreted them to mean that a slump in the mark would prevent the Bundesbank from cutting interest rates.

Investors were ready to buy dollars because of the growing perception that the U.S. economy is in far better shape than Germany's, traders said.

"When you're looking to buy dollars, a comment like that can convince you," said John Duffy, a trader at Bayerische Vereinsbank. Speculation that the Bundesbank will lower interest rates as soon as this week has helped drive the dollar higher. The dollar gained even though the Bundesbank left a key money-market rate unchanged. High German interest rates have kept the mark from falling against

the dollar by making mark-denominated investments more attractive. Although the Bundesbank could cut its discount rate after a policy meeting Thursday, traders said that seemed unlikely in light of its decision not to cut money-market rates.

The dollar jumped to 1.6637 DM — its highest level since March 18 — before finishing at 1.6560 DM, up from 1.6470 DM on Tuesday. The dollar also rose to 106.425 yen from 106.050 yen.

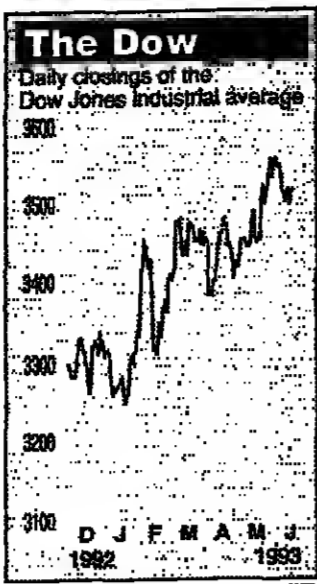
A 2.4 percent increase in U.S. housing starts in May confirmed the belief that the economy is improving, and contributed to the dollar's gains. A small increase in industrial production also helped.

"The market is starting to look on the U.S. economy more favorably," said Earl Johnson, foreign-exchange adviser at Harris Trust & Savings Bank. The dollar blew through several important psychological levels against the mark Wednesday, making more gains likely, he said.

Elsewhere, the pound fell to \$1.5064 from \$1.5170 on Tuesday. The U.S. currency jumped to \$567.8 French francs from 5,540 francs and rose to 1,484.3 Swiss francs from 1,475 francs. It weakened, however, against the Canadian dollar, finishing at 1.2788, down from 1.2804.

WORLD STOCK MARKETS

Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Milan, Paris, Sao Paulo, Singapore, Stockholm, Toronto, Zurich, and various regional indices.



D.J. I.M.A. 1982-1993

Table of NYSE Most Actives with columns for Volume, High, Low, Last, and Change.

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Table of Amex Diary with columns for Advance, Decline, Unchanged, Total Issues, and New Highs.

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Table of Food prices including SOYBEAN (C) and SOYBEAN MEAL (C).

Table of Metals prices including ALUMINUM (C) and COPPER (C).

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Table of Dividends including American Express, Coca-Cola, and IBM.

Table of U.S. FUTURES including Wheat, Corn, and Soybeans.

Table of Grains prices including Wheat, Corn, and Soybeans.

Table of Livestock prices including CATTLE (COMB) and PIGS (COMB).

Table of Metals prices including Gold, Silver, and Platinum.

Table of Financial prices including US TREASURY (COMB) and US GOVERNMENT BOND (COMB).

Table of Food prices including COFFEE (COMB) and SUGAR (COMB).

Table of Stock Indexes including NYSE, AMEX, and NASDAQ.

Table of Commodity Indexes including Energy, Metals, and Grains.

Costco, Price Set \$2 Billion Merger SAN DIEGO (Bloomberg) — Costco Wholesale Corp. and Price Co. agreed Wednesday to merge in a \$2 billion stock swap, combining two of the largest warehouse-chain retailers in the United States.

Industrial Output Up 0.2% in May WASHINGTON (AP) — U.S. output for its eighth consecutive increase, the government said Wednesday.

Shell May Sell Pesticide Businesses LONDON (AP) — The Royal Dutch/Shell Group said Wednesday it was negotiating to sell its pesticide businesses to American Cyanamid Co. for an undisclosed sum.

Halliburton Plans Managerial Layoffs DALLAS (Bloomberg) — Halliburton Co., the largest U.S. oil-services and equipment company, said Wednesday it expected to lay off hundreds of managers in a restructuring of its energy services, the second-largest of its three businesses.

Fed Official Sees Inflation Over 2.7% WASHINGTON (AP) — A Federal Reserve Board governor, Lawrence Lindsey, told the National Association of Business Economists that he expected the U.S. inflation rate to exceed 2.7 percent this year.

For the Record USAir Group Inc. reversed its expectations and forecast a loss in the second quarter as well as for the full year, based on weaker-than-expected revenues.

U.S. Futures U.S. stocks closed mixed Wednesday as concern about earnings buffeted another computer giant, Hewlett-Packard Co., and a report on housing starts prompted questions about the strength of the economic recovery.

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Balladur Defiant on Farm Pact

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Compiled by Our Staff From Dispatches PARIS — Prime Minister Edouard Balladur said Wednesday that France would not accept the U.S.-EC Blair House agreement on farm trade...

Back from a showdown meeting in Washington with President Bill Clinton, Mr. Balladur won a standing ovation in the National Assembly by reaffirming France's rejection of a trans-Atlantic draft agreement on farm subsidies.

Even some Socialists joined members of the conservative majority in applauding a sign of the broad support in France for the unwilling stance.

The draft agreement would curtail farm-export subsidies for wheat and some other products in the European Community.

France's powerful farm lobby vehemently opposes the plan, which is envisioned as part of a settlement of disputes holding up a new world trade pact under the auspices of the General Agreement on Tariffs and Trade.

Mr. Balladur said if the Blair House pact were applied, farmers "would have no choice but to leave their land."

When the multilateral trade negotiations are completed, he said, "France reserves the right to accept or to reject" the result.

The Blair House agreement is not acceptable in its current state, Mr. Balladur added.

He called on the Community to play an active and decisive role in the trade negotiations. A major focus must be on European unemployment, already at worrisome levels, he noted.

Europe's Gloom Deepens EC Has Grim Forecast and Few Ideas

By Tom Buertke

International Herald Tribune

BRUSSELS — The European Community laid out its gloomiest economic forecast in nearly a generation Wednesday, saying that recession this year and a limp recovery next year would drive unemployment to a post-World War II record of 12 percent.

Although the figure had been leaked earlier in the week, the announcement showed the depth of the problem that will confront EC heads of government at their semiannual summit meeting in Copenhagen on Monday and Tuesday.

Rand Lobbens and Jean-Luc Dehaene, the Dutch and Belgian prime ministers, said after a meeting here Wednesday that growth and jobs would dominate the talks in Copenhagen. Reuters quoted Mr. Lobbens as saying that "confidence may be cracking in Europe and the economy."

But national and EC leaders continue to insist there is little immediate help they can offer. Henning Christophersen, the Community's economic commissioner, said there was no room for governments to spend their way out of recession, as their deficits were expected to swell to an unprecedented 6.25 percent of gross domestic product, on average, this year.

That is more than twice the limit of 3 percent set in the Maastricht Treaty's criteria for EC nations' economic performance en route to adopting a common currency.

Any further bloating of the government deficits would only drive interest rates up and lead to "new disturbances" in the European Monetary System, Mr. Christophersen warned.

The new EC forecast projects that overall economic output will fall 0.5 percent this year and rebound by 1.25 percent in 1994. The expected decline this year would be the first for the Community as a whole since 1975. It was the Community's second sharp decline and a revision of its forecast for 1993, which began at a positive 2.5 percent a year ago and was cut to growth of 0.8 percent in January.

The revisions reflect the rapidly deteriorating economic climate in Germany, where output could contract by 2 percent or 2.5 percent this year, and in other countries that have tied their economic policies closely to Bonn's, led by France, Belgium and the Netherlands.

Mr. Christophersen said Europe's main hopes continued to lie in further reductions in short-term interest rates. EC sources said high German rates were not singled out for blame at Wednesday's meeting of the EC Commission, where the forecast was unveiled, but the reference was clear.

Although the Copenhagen summit meeting is unlikely to produce any new growth initiative, one EC source said there was a room for governments to move a greater portion of their spending into infrastructure projects such as roads and railroads.

EC Agrees to Fund New Broadcasting Tailored for HDTV

Compiled by Our Staff From Dispatches

LUXEMBOURG — European Community telecommunications ministers agreed Wednesday on a toned-down aid package to help the broadcast industry develop programming suited to high-definition television, diplomats said.

Breaking a one-year impasse, they agreed that the Community should spend 228 million European currency units (\$274 million) over four years to help broadcasters launch wide-screen television programs.

The amount is drastically less than original subsidy proposals, but more than the maximum amount Britain said it would accept at the last meeting in May.

The EC hopes the spending will help European electronics companies compete with manufacturers in Japan and the United States in the race to develop HDTV, a technology providing sharper pictures and digital sound quality.

Original EC plans proposed spending as much as 857 million euros but Britain resisted and the other EC members agreed last month to lower the figure. Britain had held out for more guarantees on how the money would be spent and also feared that the EC was planning to develop a system that would soon be overtaken by U.S. and Japanese research.

The plan was agreed upon within 90 minutes on Wednesday, prompting speculation that a change of British ministers had made the difference.

The Dutch public-works minister, Hanja Maj-Weggen, told reporters that the British junior trade minister, Patrick McLoughlin, had been much more constructive than

his predecessor, Edward Leigh. But Mr. McLoughlin said Britain had agreed because the plan had become more market-oriented and because he had won changes that ensured that British-based Japanese companies such as Sony could take part in television-related EC research.

Companies will be asked to provide sums equivalent to EC spending, officials said. Research on HDTV in Europe is being led by the French concern Thomson SA and Philips Electronics NV of the Netherlands.

Although the Netherlands had been pushing for higher subsidies, Ms. Maj-Weggen said the package would be enough to ensure that a "critical mass" of programs were produced.

AP, Reuters

Investor's Europe

Table with columns: Exchange, Index, Wednesday Close, Thursday Prev. Close, % Change. Rows include Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, Amsterdam CMB Trend, Brussels Stock Index, Frankfurt DAX, Frankfurt FAZ, Helsinki HEX, London Financial Times 30, London FTSE 100, Madrid General Index, Milan MIB, Paris CAC 40, Stockholm Affarsvaerden, Vienna Stock Index, Zurich SBS.

Sources: Reuters, AFP. International Herald Tribune

German Outlook Exudes Pessimism

Reuters

BONN — The economy of Western Germany could shrink even more this year than forecast earlier, Economics Minister Ginter Rexrodt said on Wednesday.

A leading economic think tank and the main industrial lobby were even more pessimistic, saying there was little chance of even a moderate recovery until sometime next year.

In a speech to parliament, Mr. Rexrodt said that the government expected the economy to pick up in the second half, but that if it did not, a decline of 2 percent or more in gross domestic product could not be ruled out.

Data published this month showed that first-quarter West German GDP was down 1.5 percent

from the previous quarter and 3.2 percent below the first quarter of 1992.

"In Western Germany, the recession accelerated in the first quarter," Mr. Rexrodt said. Meanwhile, the Federation of German Industry said the economy was still declining and that unless the government changed its fiscal policies, the recession could last longer than expected.

"Even if the economic decline ends during the summer months, from industry's perspective it seems that a turnaround in the economy is no longer probable this year," the industry federation said in its monthly economic report.

The economic research institute Ifo said a recovery could begin in the spring of 1994, when the first effects of lower interest rates are expected to be felt.

GATT to Study Bid by Russia

Reuters

GENEVA — The General Agreement on Tariffs and Trade on Wednesday set up a working party to study Russia's application for membership.

Russia's trade delegation called the request a further step in its economic reform policy. Japan, European Community members and the United States are among some 40 member states that supported Moscow's application.

Andrew Stoler, acting head of the U.S. Trade Representative's Office here, said GATT membership should accelerate Russia's integration into the world economy.

Very briefly:

- Volvo AG will make a preliminary report in mid-July on a Spanish investment consortium's offer to build a car plant in the Basque town of Arraunbela.
The EC Commission cleared 150 million Deutsche marks (\$92.3 million) in loan guarantees granted by the Treuhandanstalt privatization agency to Sachsenring Automobilwerke GmbH, part of a Volkswagen project to set up modern car production in Eastern Germany.
Comptel, a French services company, showed a modest profit this year after last year's loss of 1.87 billion French francs (\$341.9 million).
Karstadt AG, Germany's largest department-store group, said it would have difficulty matching last year's earnings of 23.1 million DM.
Britain's retail sales volume in May fell 0.2 percent from April but rose 2.3 percent from May 1992.
Aer Lingus seeks 1,400 job cuts in its survival plan presented to the Irish government, industry sources said.
Decks of France SA will bid for control of another supermarket chain, Societe Abacienne de Supermarches, the French stock exchange said.

GATT Examines Banana Curbs

The Associated Press

GENEVA — The General Agreement on Tariffs and Trade launched a formal investigation Wednesday into the legality of new European Community restrictions on Latin American bananas.

A meeting of GATT's executive council agreed to a request from Costa Rica and neighboring countries to examine EC import curbs due to come into force July 1. Latin American nations say this will cost them \$1 billion a year in lost markets and hundreds of thousands of jobs.

A separate GATT panel ruled last month that existing import barriers used in the Community to protect domestic producers or former colonies violated GATT's trade rules.

HONDA: Under Assault by Detroit's Minivans, Its Profits Are Crumbling

Continued from Page 11

As Honda grew in the United States, its perspective changed from niche marketer to mass marketer, said John Wolkowicz, an analyst for Arthur D. Little Inc. of Boston. "Honda started looking at who its customers were and saw my 65-year-old uncle and an 18-year-old college girl and everyone in between." Models were designed to satisfy several demographic

groups, ensuring that they would appeal to more of them. Mr. Wolkowicz said. "The best example of this is the Accord. It is one brand machine. It does everything well, but it doesn't excel."

One bright light for Honda has been the Civic, which was redesigned for 1992. Sales have increased 30 percent this year. Accord sales, meanwhile, are down

about the same amount. Sales of the redesigned Prelude, Honda's wood-grain sports coupe, have fallen by more than 50 percent this year.

In luxury cars, Honda led the Japanese into the U.S. market. The Acura division, opened in 1986, won high marks, and the Legend and the smaller Integra put a big dent in a segment where BMW and Mercedes-Benz lived.

TRAIN: Slowed by Bonn Red Tape

Continued from Page 11

ventional high-speed rail technology, and uses less energy. Most of the test track in Lathen, built in 1984 and expanded in 1987, stands on prefabricated slabs of steel and concrete that are 5 meters (16 feet) high, permitting the ground underneath to be used for other purposes. The train levitates and accelerates by means of electromagnets built into the track.

Moreover, the maglev train is considerably quieter than the German ICE or the French TGV, its two main competitors using con-

NASDAQ

Wednesday's Prices NASDAQ prices as of 4 p.m. New York time. This list compiled by The AP. consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Table of NASDAQ stock prices with columns: High, Low, Stock, Div, Yld, PE, etc.

Table of various stock prices with columns: High, Low, Stock, Div, Yld, PE, etc.

Table of various stock prices with columns: High, Low, Stock, Div, Yld, PE, etc.

Table of various stock prices with columns: High, Low, Stock, Div, Yld, PE, etc.

NYSE

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc. Includes various stock listings and market data.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc. Includes various stock listings and market data.

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TACTICS: A Subtle Workplace Slowdown

Continued from Page 11
today's competitive world, no company saddled with employees who carry out their tasks only routinely, and without initiative, can make money for long.
So far, the result is inconclusive. What is clear, though, is that a lot is at stake in Decatur. Reflecting the importance of in-plant resistance, the AFL-CIO has endorsed the strategy. If the unions win, labor stands to regain some of the bargaining power it lost in 1981, when America's air-traffic controllers struck and President Ronald Reagan replaced them en masse. The outcome could also have implications for employers and workers across the United States in nonunionized workplaces.
Citing the harsh realities of a weak economy and global competition, employers have been asking more from workers — who have given in, fearful they might otherwise lose their jobs. But at some point, say labor economists and others who study the workplace, management starts to lose something in worker loyalty, initiative and cooperation for all that it might gain in lower labor costs and more flexible work rules.
Getting both sides to agree on where that point is could be the big labor-management challenge of the early '90s — with a miscalculation likely to be costly.
"Workers almost always see a way to do a job better," said Richard Freeman, a Harvard labor economist, "and passing up these opportunities in time becomes damaging for companies and the economy."
Not surprisingly, the plant manager at Decatur, Gary Stroup, insists that the battle is not even being fought. "This is Middle America," he said, "for a union to come and ask these people not to do their jobs fully is to go against their work ethic and their moral fiber."
But the union is doing just that, said Larry O. Solomon, president of the United Auto Workers local here that represents Caterpillar employees.
The resistance appears to be gradually reducing efficiency at both Caterpillar and Staley, although the companies deny union claims that slower production has caused a delay in the filling of customer orders.
The resistance being tested in Decatur could be affected by what is happening in Washington. President Bill Clinton is trying to restore to workers some of their power to strike, once again making a strike a viable alternative to the slowdown. A bill that would outlaw the kind of permanent replacements for strikers has been sent to the floors of the House and Senate, and the House might act this week.
But for the moment, Caterpillar and Staley, having failed to win union agreement to their proposals, have imposed them unilaterally, calling their actions "implemented contracts." The companies argue that despite the changes they made, benefits and pay — averaging \$18 an hour at Caterpillar and \$13 at Staley — are still very high for the Midwest.
Realizing this, the workers will eventually give up their resistance, the companies say, overruling their unions in the process. The UAW at Caterpillar and the Allied Industrial Workers of America at Staley.
But what the companies overlook, say the unions, is that some of the new rules that they had imposed were weakening havoc on workers' lives. Staley, for example, moved its production workers to 12-hour shifts — with three shifts one week and four the next — from five eight-hour shifts a week.

Japan Firm Buys Rights To Gitane

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, etc. Includes various stock listings and market data.

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AMEX Wednesday's Closing
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Handwritten note: 1993/06/17

Japan Firm Buys Rights To Gitanes

PARIS — Japan Tobacco Co. has bought the rights to market Gitanes cigarettes in Japan...

A Wealthy Li Leaves Prison Hong Kong Exchange's Ex-Chief to Retire

HONG KONG — Ronald Li, once the powerful and energetic chairman of the Hong Kong Stock Exchange, walked out of prison Wednesday after serving two years and eight months...

Walkouts Curtail Output at Hyundai

SEOUL — Workers on two shifts staged four-hour walkouts Wednesday at Hyundai Motor Co., crippling South Korea's largest auto factory...

Investor's Asia table with columns for Hong Kong, Singapore, Tokyo, and various indices like Hang Seng, Straits Times, Nikkei 225.

TAIWAN: Authors of Economic Success Story Now Search for a Sequel

Continued from Page 1. Taiwan's success has been driven by its small and medium-sized groups. It is short on multinational firms for marketing and research and development...

Manila Says Power Crisis To Ease in '93, End by '96

MANILA — The electric power crisis in the Philippines will end by 1996, Energy Secretary Delfin L. zero said Wednesday...

Very briefly:

- Japan's Ministry of International Trade and Industry said inventories fell in April but remained at high levels... Mazda Motor Corp. said it had developed three-way catalytic converters engines capable of boosting fuel efficiency by 8 percent...

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AMEX Wednesday's Closing

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Table with columns for High, Low, Stock, Div, Yld, PE, High, Low, Stock, Div, Yld, PE, High, Low, Stock, Div, Yld, PE

Vertical text on the left edge: replace Slowdown... TO OUR READERS BY SWITZERLAND







ART BUCHWALD

His Honor, the Rejectee

WASHINGTON — There was a time when being appointed by the president to a high position was a badge of honor. No more. As soon as someone's name is announced for an important job, people start looking for a smoking gun.

When Judge Lapchuck was on the short list for the Supreme Court justice vacancy, everybody in our neighborhood was surprised. "I wouldn't have believed it of Lapchuck," Dandelion said. "He seemed like such a straight guy."



Buchwald

"You never really know about people until they are nominated for a major position in government," I said.

"But he served on the bench for 18 years. If there was anything on him, they would have known about it by now."

"That's the unfortunate part. He could have gotten away with what he was doing if it hadn't been for the appointment."

"What was he doing?" "Nobody knows, but it must have been pretty bad if Clinton seriously considered his name for the court."

"Can you get jail time for being a Supreme Court nominee?"

"No, but it goes in your record and no one ever forgets it."

"I know a woman who was

nominated to be the U.S. ambassador to Sri Lanka. Then they found out that not only did her maid not have a green card — she didn't have one, either. Her husband was so humiliated that he filed for divorce."

"I should hope so. Where does Clinton find the people he appoints to high government positions?"

"Probably from halfway houses," Dandelion said.

"What's interesting about being nominated for an important job and not getting it is that the public automatically assumes that you've done something wrong. They don't know what you did, but if you strike out for a seat on the Supreme Court, you have to spend the rest of your life denying that you were the Boston Strangler."

"It's not just the Supreme Court. Ever since Clinton withdrew Lani Guinier's name for assistant attorney general there are reports of her holding up banks all over the country."

"The FBI was around talking to me about Lapchuck."

"What did you tell them?"

"I told them what they wanted to hear. Lapchuck was a closet musician. He had the British journal The Economist delivered to his house by mail, and he never flew the flag on the Fourth of July. I have a great deal of respect for the FBI, and if they are trying to get the goods on Lapchuck, I am going to help them all I can."

"I admire you for sticking your neck out. I don't think that we should have anyone sitting on the Supreme Court who has to be investigated by the FBI."

"Do you believe that now he's on the short list the neighbors will ask him to leave?"

"Definitely. Who wants to live next door to somebody who wasn't the president's first choice?"

Well, in spite of people's anger that Lapchuck turned out to be a loose cannon, he is still living in the same house. The only difference now is that after all the unfavorable publicity surrounding his nomination, no one is talking to him.

Asked if he would let his name be considered for another post in the government, Lapchuck replied, "It's an honor no American citizen can refuse."

In Fiction, Finding the 'Voice' of Madness

By William Grimes  
New York Times Service

NEW YORK — Patrick McCabe is a quiet man who lobbed a small bombshell of a novel and is still reeling from the blast. Two years ago, he was teaching learning-disabled students in a London grade school, and writing a strange tale at night. It was called "The Butcher Boy," and it was a haunting narrative, told in the voice of a small-town Irish boy who descends into madness and commits an act of unspeakable violence, foreshadowed in the first sentence of the book: "When I was a young lad 20 or 30 or 40 years ago I lived in a small town where they were all after me on account of what I done on Mrs. Nugent."

Lyrical and disturbing, horrific and hilarious, "The Butcher Boy" reaped a bumper harvest of critical superlatives in Britain and Ireland. As a fictional creation, Francie Brady, the narrator, was placed in the same company as Huck Finn and Holden Caulfield. The novel's language — passionate, colloquial and rich — was deemed worthy of Joyce.

The book won the 1992 Aer Lingus Prize, Ireland's top literary award, and wound up on the short list for the Booker Prize. McCabe wrote a stage version of the novel, "Frank Pig Says Hello," and it scored a hit at the Abbey Theatre in Dublin, then traveled to the Royal Court Theatre in London. Neil Jordan, the director of "The Crying Game," has optioned the novel for a film.

Perhaps best of all, "The Butcher Boy" got McCabe a free trip to Miami. For the annual book fair there, like Francie McCabe, who is 37, has fed on a rich diet of comic books and American popular culture. He has not lost the taste for it. "I am addicted to 'Miami Vice,'" truly, he said in a recent interview at the offices of his American publisher, Fromm International. "But it turned out to be complete fiction. I expected to see bullets flying and major drug arrests on every corner."

Somewhere in McCabe's head there lurks a Francie-like appetite for lurid colors and nonstop action, a searing fondness for the cheap thrill, the instant gratification of modern advertising and consumer packaging. He is attuned to the poetry of the advertising slogan. He understands the iconic power of a candy bar wrapper. It is not surprising, somehow, that he seized on a grisly news item about a lurid small-town murder and transformed it into a compact, resonant tragedy.

"The first time I heard about the murder was at the age of 8, in a radio play that I listened to with my father," said McCabe. The subject was more complex than a



Author Patrick McCabe: "At that point, I couldn't be kept from the page."

crime, however. "I lost my father when I was very young, and his loss is enmeshed with my memories of this. The germ of the story was not a murder but a sense of loss and of damaged innocence."

The key to the book was Francie's voice, and McCabe discovered it late in the game. In an early version, the story was told by an omniscient narrator. "It was workmanlike and passable," said McCabe, "but for the strength of feeling I had burning inside me, it was inadequate."

M McCabe is a painstaking writer who finds his way slowly. "It's laborious, boring donkey work. If you saw some of the early drafts, you'd say: 'This guy thinks he's a writer? He's useless.'"

M McCabe put the book aside, then decided to junk it altogether and start from scratch, this time from inside the head of Francie Brady. "At that point, I couldn't be kept from the page," he said. Uncharacteristically, the writing went forward at lightning speed, toward a destination that McCabe himself found a little mysterious.

"When I finished I thought it was so outlandish that no one would read it."

When a reporter suggested that "The Butcher Boy," told through the psychologically warped consciousness of Francie, violated several cardinal principles of novel writing laid down by Henry James, McCabe scoffed. "That's a bunch of junk, class-based arrogant nonsense. I mean, James left America, felt there was nothing to write about because it didn't have dukes and earls. I'm sure he would criticize, and I'm sure I wouldn't care."

For McCabe, the model is Joyce, particularly "Dubliners." "The sheer hunger in everything Joyce has written, the straining toward the light, that keeps you honest in the business of writing," he said.

M McCabe grew up in Clones, a town of 2,000 in County Monaghan, near the border with Northern Ireland. It is precisely the kind of small town that he uses as a setting for "The Butcher Boy," and for his first two novels, "Music on Clinton Street" and "Cam."

Court Denies 2d Request For Matisse Paintings

PARIS — A French court rejected Wednesday a Russian heiress's request to impound 21 Matisse paintings on show in Paris, pending the outcome of her claim to property held by the Russian state.

The court said the Soviet seizure in 1919 of the art collection built up by Irina Shchukin's father, Sergei, was carried out by a sovereign government and French justice could not intervene. It was Shchukin's second attempt in four months to stop the paintings now part of a major Matisse exhibition in Paris.

WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather.

Weather forecast section including maps of Europe, North America, Asia, and Africa, along with temperature and precipitation data for various regions.

CROSSWORD

Crossword puzzle section with clues for Across and Down, and a solution to the puzzle of June 16.

PEOPLE

Elton John Heeds Faxes Of Disappointed Fans

Elton John, who booted Tel Aviv early Wednesday in a fit of pique after having to wait more than an hour to get through customs at Ben-Gurion International Airport and facing aggressive photographers at a Tel Aviv hotel, has had a change of heart. After a shower of faxes from disappointed fans and a personal appeal by the British ambassador to Israel, Andrew Burns, John has rescheduled his canceled Wednesday concert to Thursday night.

Britain's royals almost all miss this year's Royal Ascot races. The Queen Mother, 92, canceled her appearance on Wednesday, for the third day in a row. A spokesman said, "At her age she felt she would give it a miss and watch it on television." Prince Charles stayed away because of a back injury and Prince Philip and Prince Harry to lunch in London. And Princess Anne nearly didn't get in. On Tuesday an overzealous guard wouldn't let her through the gate. "Well, she was wearing dark glasses, wasn't she? I didn't recognize her straight away," said Eric Petherbridge, the guard. The queen's horse, Embury, meanwhile, failed to win place or show in the Prince of Wales Stakes race.

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